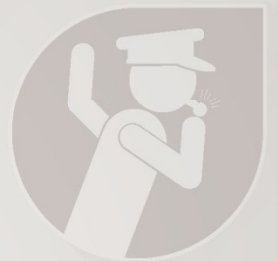




Western Cape
Government



Hessequa Municipality

2018



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HESSEQUA: AT A GLANCE

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Hessequa : At a Glance

Demographics

Population Estimate, 2018; Actual households, 2016



Population

55 059



Households

17 371

Education

2017



Matric Pass Rate 87.4%

Learner-Teacher Ratio 38.5

Gr 12 Drop-out Rate 35.6%

Poverty

2017



Gini Coefficient 0.57

Human Development Index 0.72

Health

2017



Primary Health Care Facilities

9

Immunisation Rate

84.2%

Maternal Mortality Ratio (per 100 000 live births)

0.0

Teenage Pregnancies - Delivery rate to women U/18

18.7%

Safety and Security

Actual number of reported cases in 2018



Residential Burglaries

313

DUI

107

Drug-related Crimes

1 362

Murder

11

Sexual Offences

51

Access to Basic Service Delivery

Percentage of households with access to basic services, 2016



Water

90.6%

Refuse Removal

83.6%



Electricity

98.0%



Sanitation

97.7%



Housing

95.8%



Road Safety

2017

Fatal Crashes 22

Road User Fatalities 16

Labour

2017

Unemployment Rate

8.4%



Socio-economic Risks

Risk 1 Drought

Risk 2 Financial Sustainability (Grant dependency)???

Risk 3 Stagnating Economic Growth

Largest 3 Sectors

Contribution to GDP, 2016

Finance, insurance, real estate and business services

21.1%

Wholesale and retail trade, catering and accommodation

18.9%

Manufacturing

13.9%

1

DEMOGRAPHICS

It is of critical importance for public policy decision makers across all spheres of government to acknowledge demographics as a decisive factor in shaping our current socio-economic reality.

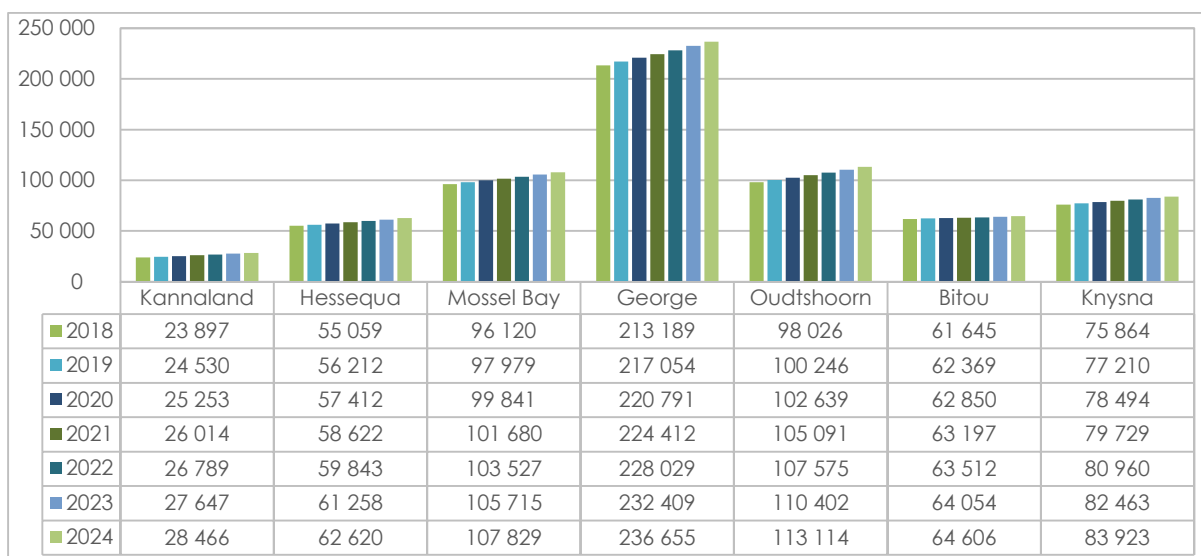
This chapter provides a concise overview of key demographic variables that will assist with municipal planning and budgeting, namely estimates of population size, the distribution of population projections within age cohorts as well as dependency ratios.

The demographic data provided in this chapter was sourced from the Department of Social Development who used Statistics South Africa's 2018 Mid-Year Population Estimates (2002 - 2018) to project population growth for the period 2019 to 2024.

Data source: Department of Social Development, 2018



POPULATION



According to the Department of Social Development's 2018 projections, Hessequa Municipality currently has a population of 55 059, rendering it the second smallest municipal population within the Garden Route District. This total is estimated to increase to 62 620 by 2024 which equates to 2.2 per cent average annual growth over this period. The growth of Hessequa Municipality's population for the 2018 to 2024 period is higher than that of the Garden Route's District's rate of 1.9 per cent.

AGE COHORTS

| Year | Children: 0 - 14 Years | Working Age: 15 - 65 Years | Aged: 65 + | Dependency Ratio |
|------|---------------------------|-------------------------------|---------------|---------------------|
| 2011 | 12 825 | 33 988 | 5 831 | 55 |
| 2019 | 12 952 | 34 259 | 9 001 | 64 |
| 2024 | 13 760 | 37 499 | 11 361 | 67 |

The above table depicts Hessequa municipal area's population composition per age cohorts. These groupings are also expressed as a dependency ratio which in turn indicates who are part of the workforce (age 15 - 64) and those, who are depending on them (children and seniors). A higher dependency ratio means greater pressure on a smaller productive population and higher pressure on social systems.

A comparison between the 2011 and 2019 estimate shows a sharp increase in the dependency ratio from 55 in 2011 to 64 in 2019; this is projected to increase even further to 67 in 2024. This is mainly attributed to a sharp rise in the Aged (65+) cohort over the 2011 - 2024 period

2

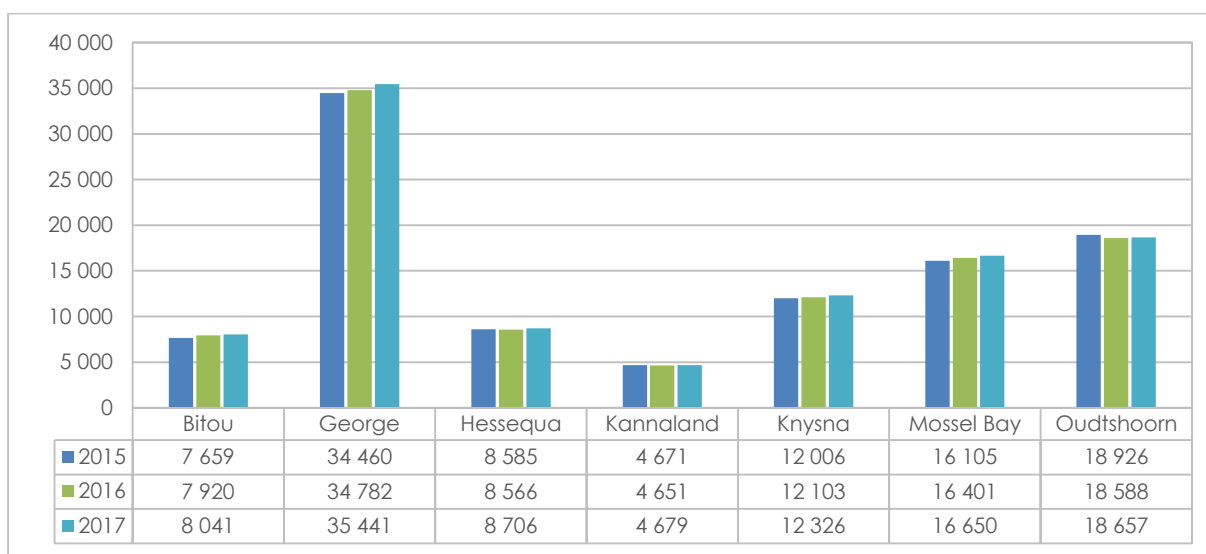
EDUCATION

Education and training improves access to employment opportunities and helps to sustain and accelerate overall development. It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through indirect positive effects on health and life expectancy, the level of education of a population also influences its welfare.

Data source: Western Cape Education Department, 2018

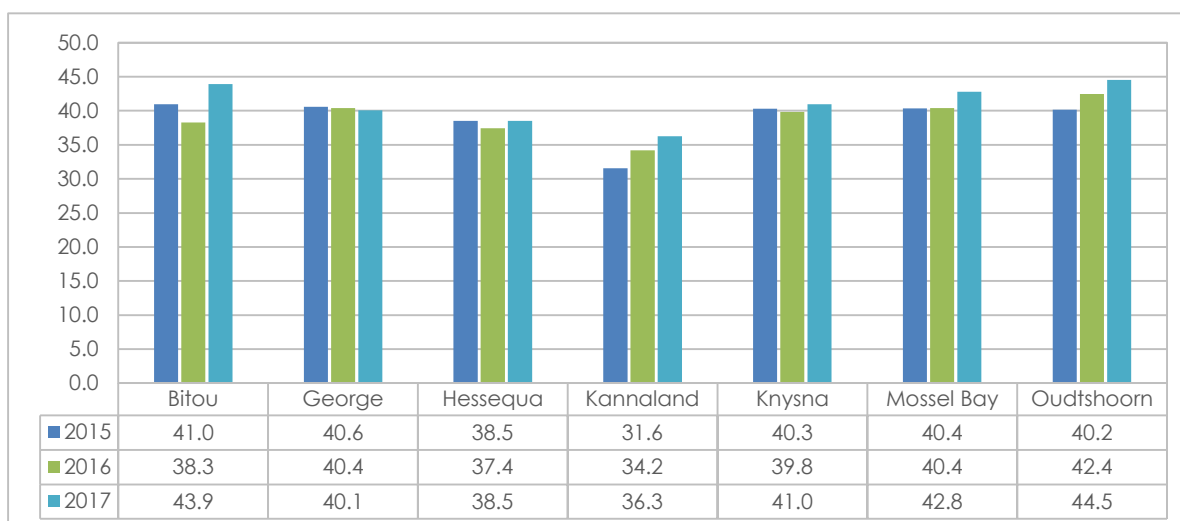


LEARNER ENROLMENT



Learner enrolment in Hessequa grew slightly from 8 585 in 2015 to 8 566 in 2016 and further increased to 8 706 learners in 2017. This could be attributed to a number of factors including demographics and socio-economic context.

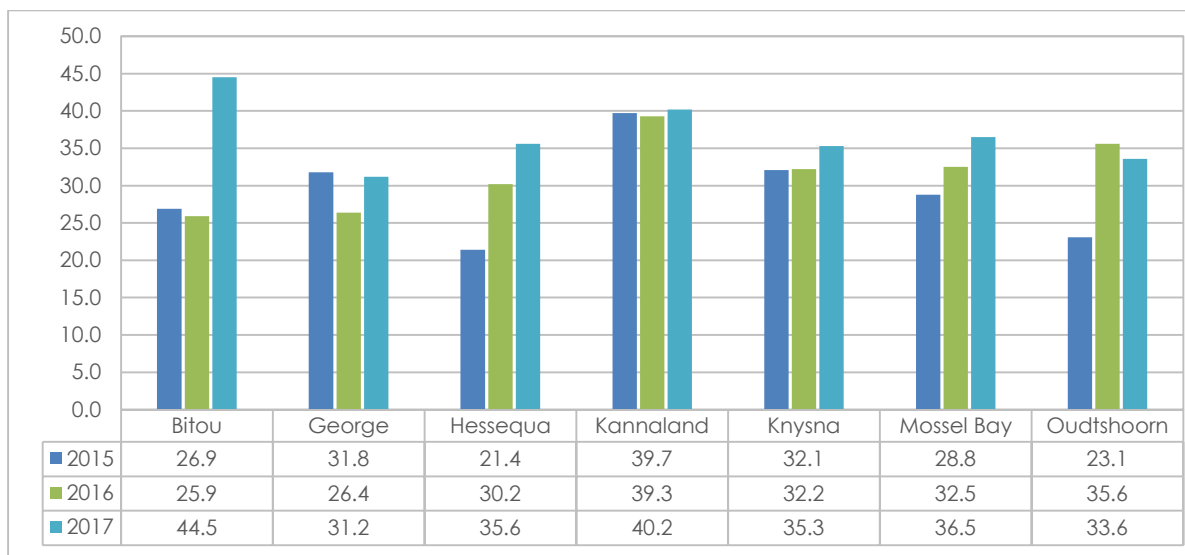
LEARNER-TEACHER RATIO



Changes in the learner teacher ratio can affect learner performance. The learner-teacher ratio in the Hessequa municipal area decreased from 38.5 in 2015 to 37.4 in 2016 and rose again to 38.52 in 2017. Factors influencing the learner-teacher ratio include, learner enrolment growth, the ability of schools to employ more educators when needed and the ability to collect fees. The average learner teacher ratio in the Western Cape currently stand at approximately 33 learners per teacher.

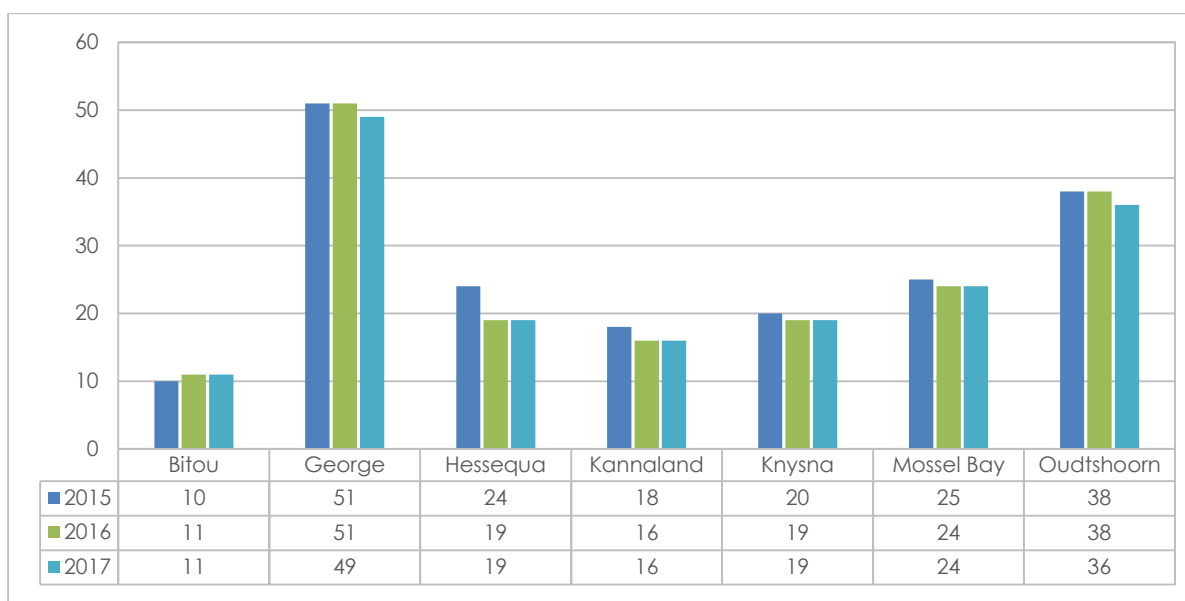
GRADE 12 DROP-OUT RATE (%)

The drop-out rates for learners within the Hessequa municipal area increased from 21.4 per cent in 2015 to 30.2 per cent in 2016 and then decreased sharply to 35.6 per cent in 2017. These high levels of drop-outs are influenced by a wide array of socio-economic factors including unemployment, poverty and teenage pregnancies.



EDUCATIONAL FACILITIES

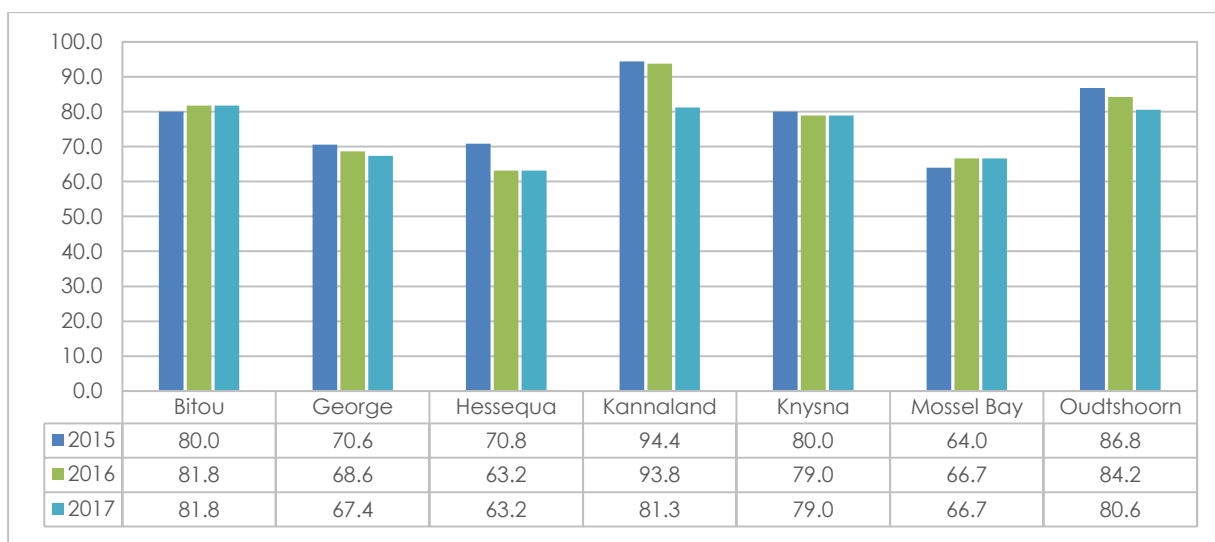
The availability of adequate education facilities such as schools, FET colleges and schools equipped with libraries and media centres could affect academic outcomes positively.



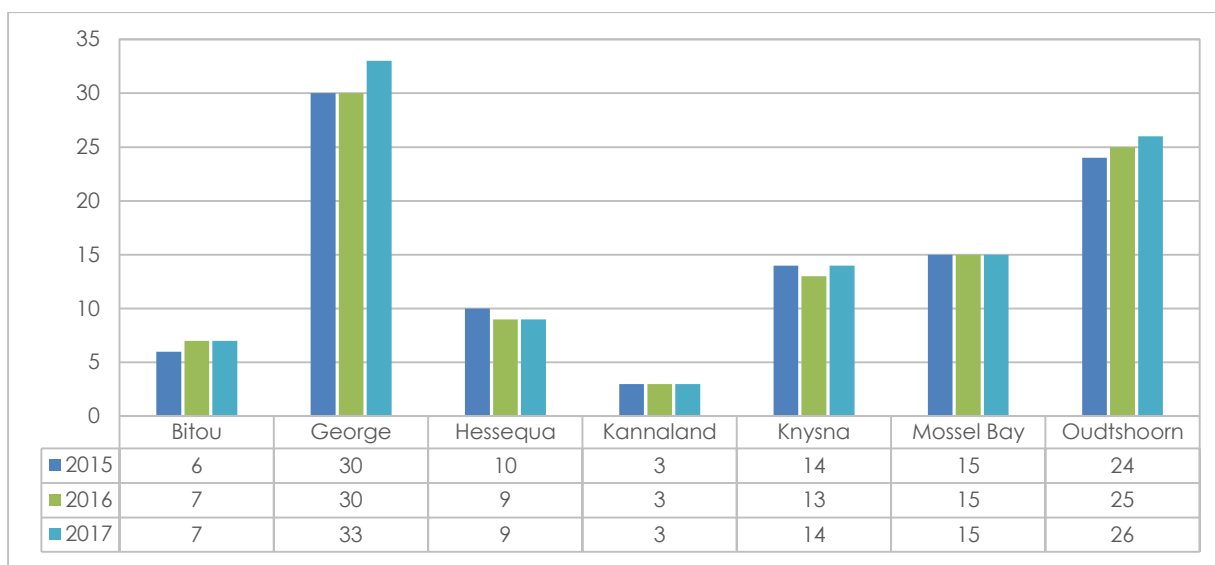
In 2017, the Hessequa area had a total of 19 public ordinary schools. Within the tough economic climate, schools in general have been reporting an increase in parents being unable to pay their school fees.

NO-FEE SCHOOLS

The proportion of no-fee schools within the Hessequa municipal area decreased from 70.8 per cent in 2015 to 63.2 per cent in 2016 and remained constant at 63.2 per cent over the 2015 to 2017 period.



SCHOOLS WITH LIBRARIES

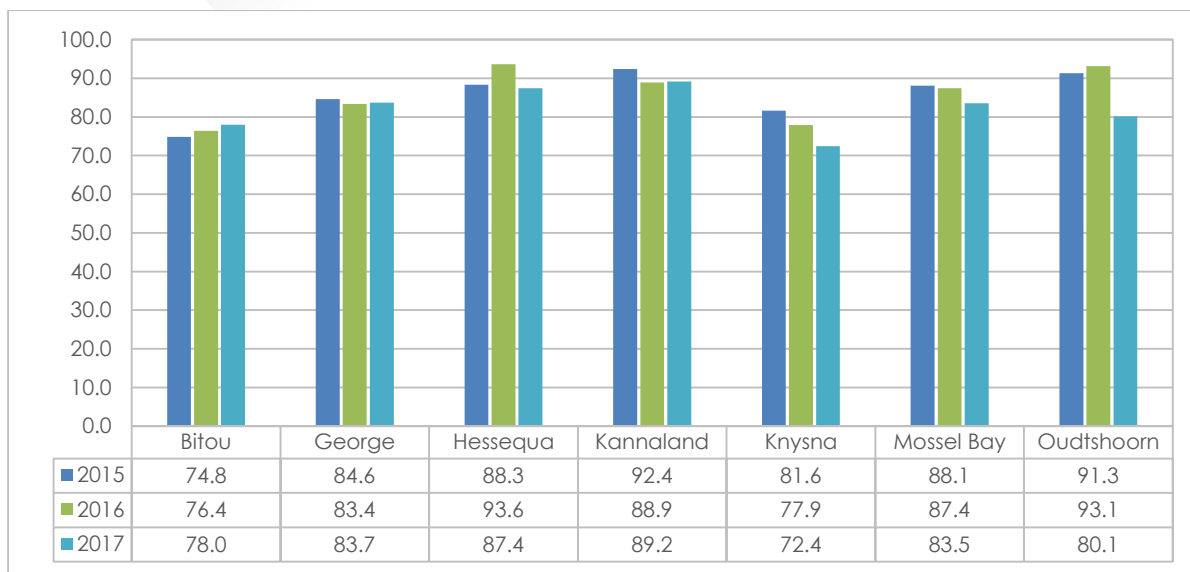


The number of schools equipped with libraries decreased from 10 in 2015 to 9 in 2016 and 2017.

EDUCATION OUTCOMES



Education remains one of the key avenues through which the state is linked to the economy. In preparing individuals for future engagements in the broader market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economy and poverty reduction plans can be realised. This section measures the matric pass rate within the Hessequa municipal area.



The matric pass rate within Hessequa improved slightly from 88.3 per cent in 2015 to 93.6 in 2016 and dropped to 83.7 per cent in 2017. Hessequa municipality's matric outcomes which is above 80 per cent compares well with the rest of the municipalities in the Garden Route district. Better results could improve access for learners to higher education to broaden their opportunities.

3

HEALTH

Health is another major factor contributing to the general quality of life in the Hessequa municipal area. It is therefore important to monitor the public health facilities as well as a variety of factors such as Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) or Tuberculosis (TB) and general topics that affect the community, like maternal health. This Socio-economic Profile provides the basic statistics concerning these issues. Since this profile focusses on the public health facilities, private facilities are not included.

Data source: Department of Health, 2018



HEALTHCARE FACILITIES

All citizens' right to access to healthcare services are directly affected by the number and spread of facilities within their geographical reach. South Africa's healthcare system is geared in such a way that people have to move from primary, with a referral system, to secondary and tertiary levels.

| Area | PHC Clinics | | Community Health Centres | Community Day Centres | Hospitals | | Treatment Sites | |
|------------------------------|-------------|-----------|--------------------------|-----------------------|-----------|----------|-----------------|------------|
| | Fixed | Non-fixed | | | District | Regional | ART Clinics | TB Clinics |
| Hessequa | 4 | 5 | 0 | 0 | 1 | 0 | 5 | 11 |
| Garden Route District | 35 | 33 | 0 | 6 | 6 | 1 | 61 | 88 |

In terms of healthcare facilities, in 2017/18, Hessequa municipal area had 4 fixed clinics and 5 mobile primary healthcare clinics. In addition, there are also 1 district hospital, as well as 5 ART and 11 TB treatment clinics/sites. Hessequa have 8.1 per cent of ART clinics and 12.5 per cent of TB clinics with the Garden Route district.

EMERGENCY MEDICAL SERVICES



Access to emergency medical services is critical for rural citizens due to rural distances between towns and health facilities being much greater than in the urban areas. Combined with the relatively lower population per square kilometre in rural areas, ambulance coverage is greater in rural areas in order to maintain adequate coverage for rural communities.

Provision of more operational ambulances can provide greater coverage of emergency medical services. The Hessequa municipal area had 1 ambulance per 10 000 inhabitants in 2017 which is just below the District average of 2 ambulances per 10 000 people. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

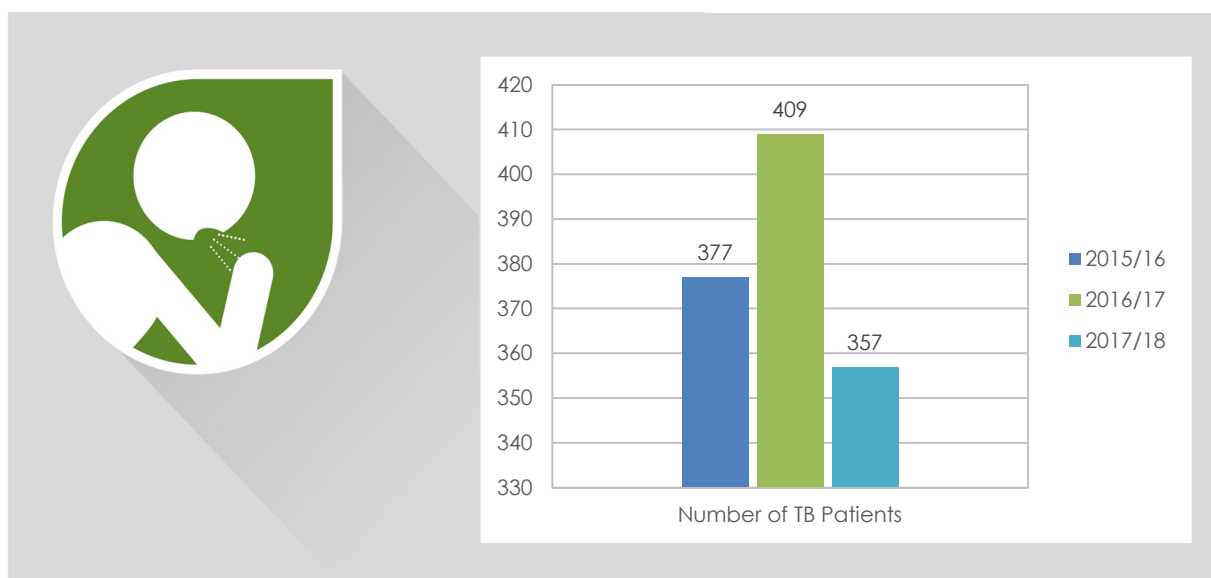
HIV/AIDS

HIV/AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

| Area | Registered patients receiving ART | | Number of new ART patients | | HIV Transmission Rate | |
|------------------------------|-----------------------------------|---------|----------------------------|---------|-----------------------|---------|
| | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 |
| Hessequa | 767 | 824 | 147 | 121 | 7.4 | 0.0 |
| Garden Route District | 20 127 | 21 713 | 3 603 | 3 537 | 1.8 | 0.9 |

Hessequa municipal area's total registered patients receiving ARTs has been steadily rising. Patients receiving antiretroviral treatment increased by 57 between 2016/17 to 2017/18. The patients receiving antiretroviral treatment are treated at 5 clinics/treatment sites. A total of 21 713 registered patients received antiretroviral treatment in Garden Route District in 2017/18. Hessequa, with 824 patients represent 3.7 per cent of the patients receiving ART in Garden Route District. The number of new antiretroviral patients decreased marginally to 121 in 2017/18 from 147 in 2016/17. HIV transmission rate for the Hessequa area showed an improvement from 7.4 per cent in 2016/17 to 0.0 per cent in 2017/18, in line with the Garden Route District's transmission rate which improved to 0.9 per cent in 2017/18.

TUBERCULOSIS (TB)



In line with the declining numbers of HIV/AIDS cases, Hessequa experienced a decline in the number of tuberculosis (TB) cases. Hessequa, with 357 TB patients in 2017/18 compared to 409 in 2016/17 represents 7.7 per cent of the TB patients who are treated in the treatment sites in the Garden Route district. The TB patients are treated in 11 TB clinics or treatment sites.

CHILD HEALTH

The United Nations Sustainable Development Goals aims by 2030 to end preventable deaths of new-borns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births (Source: UN SDG's).

| Area | Immunisation Rate | | Malnutrition | | Neonatal Mortality Rate | | Low birth weight | |
|-----------------------|-------------------|---------|--------------|---------|-------------------------|---------|------------------|---------|
| | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 |
| Hessequa | 80.0 | 84.2 | 0.5 | 0.3 | 8.5 | 6.7 | 173.2 | 165.8 |
| Garden Route District | 77.0 | 74.8 | 3.2 | 2.7 | 8.5 | 11.4 | 145.7 | 177.5 |

The immunisation rate in the Hessequa area has increased from 80 per cent in 2016/17 to 84.2 per cent in 2017/18.

The number of malnourished children under five years in Hessequa in 2016/17 was 0.5 per 100 000 people which declined to 0.3 per 100 000 people in 2017/18. At 0.3, Hessequa's rate is better than the Garden Route District average of 2.7 per 100 000.

Neonatal mortality rate (NMR) in the Hessequa area has declined from 8.5 per 1 000 live births in 2016/17 to 6.7 per 1 000 live births in 2017/18. A fall in the NMR may indicate improvement in new-born health outcomes, or it may indicate a failure in the reporting of neonatal deaths.

The low birth weight indicator for the Hessequa area has improved between 2016/17 and 2017/18 in contrast to the low birth weight indicator of the Garden Route district which increased from 145.7 in 2016/17 to 177.5 in 2017/18.

DEFINITIONS

Immunisation: *The immunisation rate is calculated as the number of children immunised as a percentage of the total number of children less than one year of age. Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation, as well as the need to encourage parents to have their young children immunised.*

Malnutrition: *Expressed as the number of malnourished children under five years per 100 000 people. Malnutrition (either under- or over-nutrition) refers to the condition whereby an individual does not receive adequate amounts or receives excessive amounts of nutrients.*

Neonatal mortality rate: *Measured as the number of neonates dying before reaching 28 days of age, per 1 000 live births in a given year. The first 28 days of life (neonatal period) represent the most vulnerable time for a child's survival. The Province's target for 2019 is 6.0 per 1 000 live births.*

Low birth weight: *Percentage of all babies born in facility that weighed less than 2 500 g. Low birth weight is associated with a range of both short- and long-term consequences.*

MATERNAL HEALTH

| Area | Maternal Mortality Rate | | Delivery Rate to Women under 18 years | | Termination of Pregnancy Rate | |
|-----------------------|-------------------------|---------|---------------------------------------|---------|-------------------------------|---------|
| | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 |
| Hessequa | 0.0 | 0.0 | 10.6 | 18.7 | 0.0 | 0.0 |
| Garden Route District | 0.0 | 0.1 | 6.7 | 15.0 | 0.4 | 0.4 |

The maternal mortality rate in the Hessequa area has remained at zero deaths per 100 000 live births in 2016/17 and 2017/18.

The delivery rate to women under 18 years has deteriorated between 2016/17 and 2017/18 in Hessequa and Garden Route areas. Hessequa's rate increased from 10.6 teenage mothers per 1 000 live births in 2016/17 to 18.7 in 2017/18, while the Garden Route district rate increased from 6.7 teenage mother per 1 000 live births to 15 over the corresponding period. This is of concern as these are teenagers who are of school going age and could lead to high dropout rates at schools in the Hessequa and Garden Route District areas.

The termination of pregnancy rate remained at 0.0 per cent in the Hessequa area, while it remained steady at 0.4 per cent for 2016/17 and 2017/18 in the Garden Route District area.

DEFINITIONS

Maternal mortality rate: *Maternal deaths per 100 000 live births in health facilities. Maternal death is death occurring during pregnancy, childbirth and the puerperium of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric and non-obstetric).*

Births to teenage mothers: *Deliveries to women under the age of 20 years as proportion of total deliveries in health facilities. Teenage pregnancy is almost always unplanned; as a result, when young parents are placed in a position to care for their children, life can become particularly tough, especially if they do not have family or social support.*

Termination of pregnancy: *The percentage of terminations as a proportion of the female population aged 15 to 44 years. Government hospitals, designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To have a free abortion, the request must be made at a primary healthcare clinic, where the pregnancy will be confirmed, counselling provided, an appointment made, and a referral letter be given to a facility where the procedure can be performed.*

4

POVERTY

This section outlines living conditions and economic circumstances of households in the Hessequa municipal area based on most recent data including Global Insight and Quantec. Economic theory suggests that when an economy prospers its households are expected to enjoy an improved standard of living. On the contrary, a declining economy tends to lower the standards of living of people. This section uses indicators including GDP per capita, income inequality and human development to show the current reality of households residing in the Hessequa municipal area.

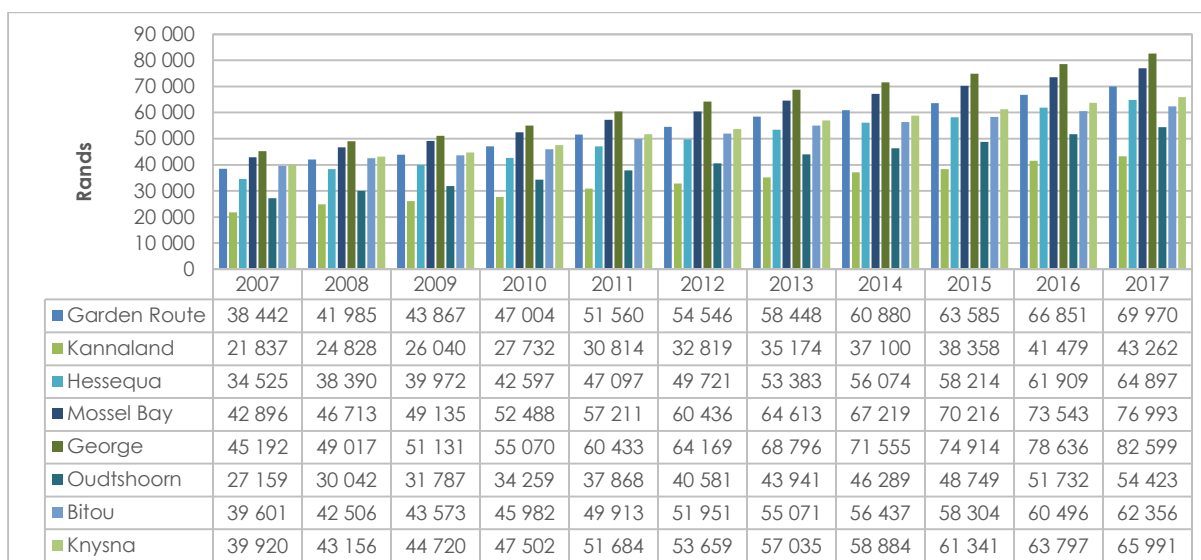
The deteriorating financial health of households and individuals under the weight of economic pressures, specifically between 2011 and 2015, has resulted in an increase in the poverty levels, according to the Poverty Trends in South Africa report released by Statistics South Africa in 2017. The report cites rising unemployment levels, low commodity prices, higher consumer prices, lower investment levels, household dependency on credit, and policy uncertainty as the key contributors to the economic decline in recent times. These recent findings indicate that the country will have to reduce poverty at a faster rate than previously planned.

According to the report the categories of people vulnerable to poverty remained as African females, children 17 years and younger, people from rural areas, and those with no education. Inflation-adjusted poverty lines show that food poverty increased from R219 in 2006 to R531 per person per month in 2017. The lower-bound poverty line has increased from R370 in 2006 to R758 per person per month in 2017 while the upper-bound poverty line has increased from R575 in 2006 to R1 138 per person per month in 2017.



GDPR PER CAPITA

An increase in real GDP per capita, i.e. GDP per person, is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDP per capita reflects changes in the overall well-being of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDP per capita indicator.

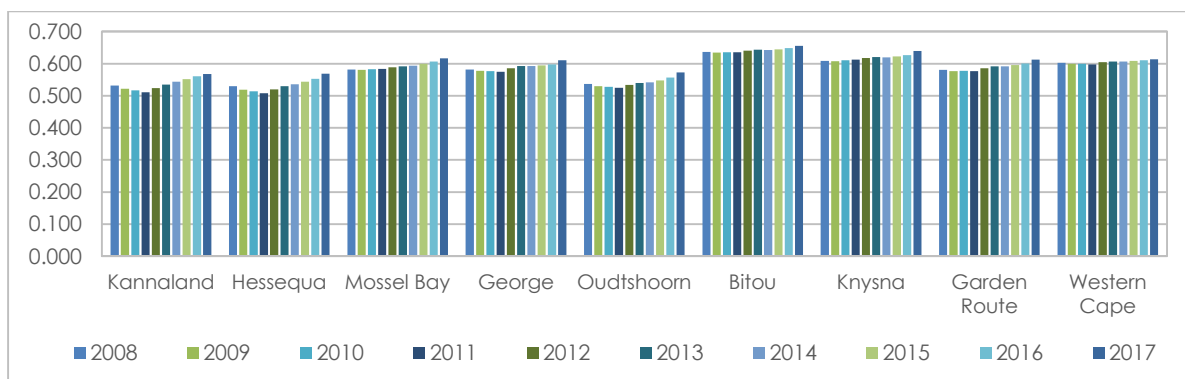


Source: Stats SA 2017, own calculations

At R64 897 in 2017, Hessequa municipal area's real GDP per capita is slightly below that of the Garden Route district's figure of R69 970 and below that of the Western Cape's R87 110.

INCOME INEQUALITY

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. Although income inequality in the Hessequa municipal area has decreased between 2008 and 2011, it has increased since 2011, reaching 0.57 in 2017. Although it is still below the NDP's 0.6 target, the increasing trend could soon find it moving beyond this level.

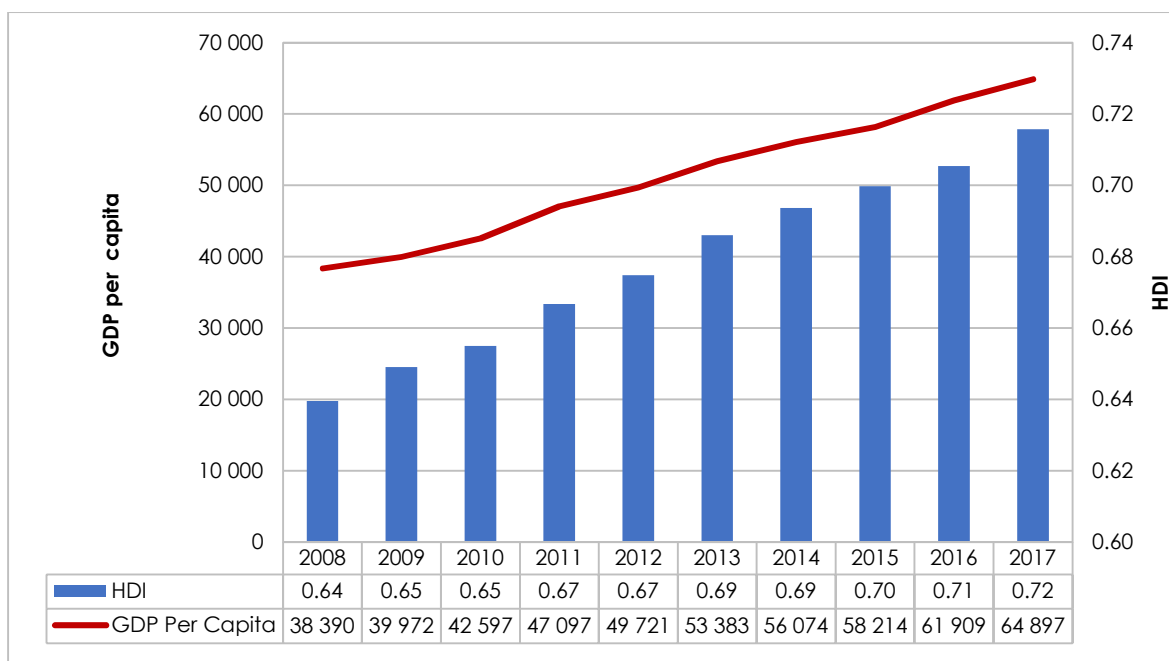


Source: Global Insight, 2017

On a positive note, income inequality levels were marginally lower in Hessequa than in the Garden Route District and the Western Cape.

HUMAN DEVELOPMENT

The United Nations uses the Human Development Index (HDI)¹ to assess the relative level of socio-economic development in countries. Indicators used to measure human development include education, housing, access to basic services and health indicators. Per capita income is the average income per person of the population per year; per capita income does not represent individual income within the population. The life expectancy and infant mortality rates are other important criteria for measuring development.



Source: Global Insight, 2017

There has been a general increase in the HDI of Hessequa Municipality, the Garden Route District as well as for the Western Cape since 2008. The HDI for Hessequa reached 0.72 in 2017. Naturally, per capita income as per definition is expected to mimic the trend of HDI and this is clearly displayed in the graphic above.

¹ The HDI is a composite indicator reflecting education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

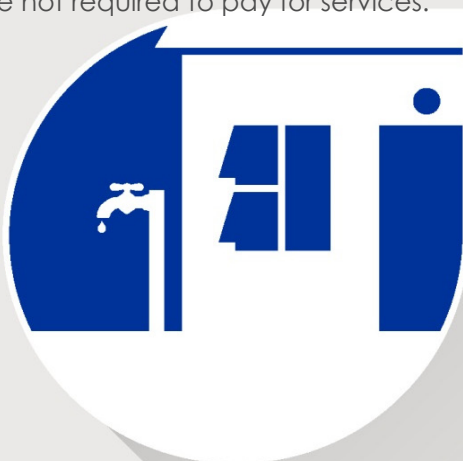
5

BASIC SERVICE DELIVERY

The Constitution of the Republic of South Africa states that every citizen has the right to access to adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to services such as potable water, basic sanitation, safe energy sources and refuse removal services, to ensure that households enjoy a decent standard of living.

The provision of services is a key function of local government. The availability and state of the services infrastructure as well as well functioning daily operations processes is crucial to enable reliable and uninterrupted services delivery. This is also dependent on sufficient funding/revenue to ensure the smooth running of municipal functions.

This section reflects on and summarises access to housing and basic services access levels (Community Survey 2016) as also reflected in the SEPLG of 2017. It also adds information on services provided per consumer/billing unit from Statistics South Africa's Non-Financial Census of Municipalities, with a comparison between 2007 to 2017 to reflect on growth in municipal services; this is also compared with the growth in indigent support for services, which reflects growth in consumers who are not required to pay for services.



ACCESS TO SERVICES AND HOUSING

Since no new household survey information is available (compared to SEPLG 2017), this section highlights housing and household services access levels from the most recent available information from Statistics South Africa's Community Survey 2016. The next household survey which includes municipal level access to household services will be the Census in 2021.

The table below indicates access to housing and services in the Hessequa Municipal area. With a total of 17 371 households, 95.8 per cent have access to formal housing.

| Community Survey 2016 | Hessequa | Garden Route District |
|--|---------------|-----------------------|
| Total number of households | 17 371 | 189 345 |
| Formal main dwelling | 16 645 | 162 325 |
| | 95.8% | 85.7% |
| Water (piped inside dwelling/within 200m) | 15 730 | 183 441 |
| | 90.6% | 96.9% |
| Electricity (primary source of lighting) | 17 022 | 178 646 |
| | 98.0% | 94.3% |
| Sanitation (flush/chemical toilet) | 18 628 | 181 973 |
| | 97.7% | 96.1% |
| Refuse removal (at least weekly) | 15 936 | 168 079 |
| | 83.6% | 88.8% |

Access to water, electricity and sanitation services were however significantly higher than 80 per cent at 90.6 per cent for water, 98 per cent for electricity, 97.7 per cent for sanitation and 83.6 per cent.

SERVICES GROWTH

A key element to the sustainable management of services is accurate and reliable information on the demand for services to enable informed projections on future demand. This section reflects on services growth based on information from Statistics South Africa's Non-Financial Survey of Municipalities. The unit of measure is a consumer/billing unit which is not comparable to household level information. Services provided by municipalities are done per 'plot' or consumer/billing unit, however, since households are the unit of measurement more often used in demographic surveys, an understanding of household dynamics remains important.

A comparison is made between 2007 and 2017 to determine services growth per consumer/billing unit over the past 10 years. This growth is contrasted against growth in support for indigent households, for which municipalities do not receive services revenue. An understanding of these trends will allow for improved planning for the demand of services per consumer unit as well as for revenue projections.

Water Services

Domestic and non-domestic consumer/billing units for water services recorded average year on year growth of 2.8 per cent over the 2007 - 2017 period. This equated to a total increase of 3 934 consumer units over this 10-year period.

| Non-financial Census of Municipalities | 2007 | 2017 | Change 2007 - 2017 | Average annual change 2007 - 2017 |
|---|--------|--------|-----------------------|--|
| Domestic and non-domestic water services per consumer/billing unit | 12 206 | 16 140 | 3 934 | 2.8% |
| Indigent support for water services | 1 837 | 4 274 | 2 437 | 8.8% |

In line with this growth, indigent support for water services improved by 2 437 consumer units or at an average annual rate of 8.8 per cent. This shows overall growth in revenue generating consumer units.

Sanitation Services

Starting off a relatively lower base compared with other services, there was an increase of 4 858 domestic and non-domestic consumer/billing units for sanitation services over the 2007 - 2017 period, recording an average year on year decline of 3.7 per cent over this 10-year period.

| Non-financial Census of Municipalities | 2007 | 2017 | Change 2007 - 2017 | Average annual change 2007 - 2017 |
|--|--------|--------|-----------------------|--|
| Domestic and non-domestic sanitation services per consumer/billing unit | 11 045 | 15 903 | 4 858 | 3.7% |
| Indigent support for sanitation services | 1 837 | 4 274 | 2 437 | 8.8% |

Indigent support for sanitation services has grown by 2 437 units at an annual average of 8.8 per cent between 2007 and 2017. This indicates good overall growth in revenue generating consumer units.

Electricity Services

Electricity services per consumer/billing unit recorded growth of 5 203 units between 2007 and 2017 at an average annual rate of 4.1 per cent. This shows good growth over the 10-year period.

| Non-financial Census of Municipalities | 2007 | 2017 | Change 2007 - 2017 | Average annual change 2007 - 2017 |
|---|--------|--------|-----------------------|--|
| Domestic and non-domestic electricity services per consumer/billing unit | 10 504 | 15 707 | 5 203 | 4.1% |
| Indigent support for electricity services | 1 837 | 4 274 | 2 437 | 8.8% |

The growth in indigent support doubles the growth the consumer/billing units for electricity services, which increased by 2 437 over the 2007 - 2017 period. This indicates overall growth in revenue generating consumer units.

Refuse Removal Services

The refuse removal services grew from 11 217 to 18 037 consumer/billing units between 2007 and 2017, an addition of 6 820 units at an average annual rate of 4.9 per cent. This shows relatively good growth over the 10-year period.

| Non-financial Census of Municipalities | 2007 | 2017 | Change 2007 - 2017 | Average annual change 2007 - 2017 |
|--|--------|--------|-----------------------|--|
| Domestic and non-domestic refuse removal services per consumer/billing unit | 11 217 | 18 037 | 6 820 | 4.9% |
| Indigent support for refuse removal services | 1 837 | 4 274 | 2 437 | 8.8% |

Over the same period, 2007 to 2017, indigent support for refuse removal services increased by 2 437 at an average annual rate of 8.8 per cent. Growth in overall consumer/billing units was growing in line with indigent support for refuse removal services.

6

SAFETY AND SECURITY

South African society is becoming more and more violent. This was confirmed by the 2017/18 crime statistics released by the South African Police Service (SAPS) and Stats SA. The crime statistics are showing which type of criminal activity has increased/decreased in the past year. The most notable changes seen so far are the marked increases in crime related to murder as well as cash-in transit.

Between 1993 and 2011, the murder rate declined almost consistently year on year. The highest murder rate in 100 years (78 murders per 100 000 people) was recorded in 1993, as South Africa transitioned to democracy. By 2011 it had dropped to 30.1 per 100 000 people. However, over the past six years we have seen a reversal of this downward trend. The murder rate is currently 35.2 per 100 000, with South Africa remaining one of the 10 most murderous countries in the world.

The Western Cape's persisting crime problems include gang violence, the increase in crimes against women and children and farm murders. Nyanga in the Western Cape remains the area in the country most notorious for its gang violence, its murder rate increased by 9.6 per cent with over 300 murders reflected in the crime stats of 2017/18. The number of women murdered increased by 11 per cent, the number of boys by 20 per cent, and girls by 10 per cent from the year before.

The data depicted in the following section was sourced from the 2018 Crime Statistics released by SAPS and Stats SA in September 2018. Incidences of crime per 100 000 were calculated using actual crime and estimated population figures provided by the Department of Social Development.

The information relating to fatal crashes and crash fatalities were sourced from the Department of Transport and Public Works.



MURDER



| Municipal Area | | 2016 | 2017 | 2018 |
|----------------|-----------------------|------|------|------|
| Actual Number | Hessequa | 13 | 8 | 11 |
| | Garden Route District | 200 | 181 | 183 |
| Per 100 000 | Hessequa | 24 | 15 | 20 |
| | Garden Route District | 33 | 30 | 29 |

Definition: Murder is the unlawful and intentional killing of another person.

The 2017/18 crime statistics released by SAPS and Stats SA indicate that murder has increased by 7 per cent to over 20 000 cases recorded in 2017/18. This gives South Africa an alarming 57 murders a day at a rate of 35.7 people murdered per 100 000 populations. Within the Western Cape Province, murder has increased by 12.6 per cent (418) from 3 311 to 3 729, almost doubling the national increase of 6.9 per cent in 2017/18.

Within the Hessequa area, the number of murders decreased from 13 in 2016 to 8 in 2017 and increasing to 11 in 2018 while the murder rate for the Garden Route District increased from 181 in 2017 to 183 in 2018.

SEXUAL OFFENCES




| Municipal Area | | 2016 | 2017 | 2018 |
|----------------|-----------------------|------|-------|-------|
| Actual Number | Hessequa | 70 | 64 | 51 |
| | Garden Route District | 924 | 1 037 | 1 046 |
| Per 100 000 | Hessequa | 129 | 119 | 93 |
| | Garden Route District | 151 | 170 | 168 |

Definition: Sexual offences includes rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking.

The rate of sexual violence in South Africa is amongst the highest in the world. In addition, a number of sexual offence incidences often go unreported (as in the case of rape). With respect to the crime statistic released by SAPS, sexual offences decreased by 0.6 per cent (7 115 to 7 075) in the Western Cape between 2017 and 2018. In 2018, there were 51 sexual offences in the Hessequa area; when comparing to the broader Garden Route District, Hessequa' rate was lower at 93 compared to the District's 168 per 100 000 population.

DRUG-RELATED OFFENCES




| | | Municipal Area | | |
|---------------|-----------------------|----------------|-------|-------|
| | | 2016 | 2017 | 2018 |
| Actual Number | Hessequa | 1 398 | 1 659 | 1 362 |
| | Garden Route District | 5 492 | 7 064 | 8 188 |
| Per 100 000 | Hessequa | 2 578 | 3 073 | 2 474 |
| | Garden Route District | 1 258 | 1 616 | 1 817 |

Definition: Drug-related crimes refers to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs.

The 2017/18 crime statistics released by SAPS and Stats SA indicate that the Western Cape Province has the highest rate of drug related crime in the country at 1 769 per 100 000 population. It also contributed more than a third (36.2 per cent) of cases to the country's drug related crime in 2017/18. Drug-related crime within the Hessequa area shows a sharp decline in 2018, down from 1 659 cases in 2017 to 1 362 cases in 2018. The Garden Route District's trend is however on an increasing trajectory between 2016 to 2018. When considering the rate per 100 000 population, with 2 474 crimes per 100 000 population in 2018, the Hessequa area has a particular challenge with respect to drug related crime, which is well above the Garden Route District and Province's rates of 1 817 in 2018.

DRIVING UNDER THE INFLUENCE




| | | Municipal Area | | |
|---------------|-----------------------|----------------|-------|-------|
| | | 2016 | 2017 | 2018 |
| Actual Number | Hessequa | 90 | 97 | 107 |
| | Garden Route District | 1 494 | 1 441 | 1 739 |
| Per 100 000 | Hessequa | 166 | 180 | 194 |
| | Garden Route District | 244 | 236 | 279 |

Definition: Driving under influence (DUI) refers to a situation where the driver of a vehicle is found to be over the legal blood alcohol limit. This is a crime detected through police activity rather than reports by members of the public.

Despite concerted efforts by government our roads are still considered amongst the most dangerous in the world. Reckless driving and alcohol consumption remain of the top reasons for road accidents. The number of cases of driving under the influence of alcohol or drugs in the Hessequa area shows an increase of 10, from 97 in 2017 to 107 in 2018. This translates into a rate of 194 per 100 000 population in 2018, which is below that of the District's 279 per 100 000 population in 2018.

RESIDENTIAL BURGLARIES




| Municipal Area | | 2016 | 2017 | 2018 |
|----------------|-----------------------|-------|-------|-------|
| Actual Number | Hessequa | 330 | 347 | 313 |
| | Garden Route District | 5 931 | 5 654 | 5 208 |
| Per 100 000 | Hessequa | 608 | 643 | 568 |
| | Garden Route District | 970 | 924 | 835 |

Definition: Residential burglary is defined as the unlawful entry of a residential structure with the intent to commit a crime, usually a theft.

The 2017/18 crime statistics released by SAPS indicate that the number of residential burglaries in the Western Cape decreased by 7.3 per cent between 2017 and 2018. There was also a drop in residential burglaries in the broader Garden Route District. Residential burglary cases within the Hessequa area declined from 347 in 2017 to 313 in 2018. The rate of residential burglaries per 100 00 population are below that of the Garden Route district, with 568 cases in the Hessequa area compared to 835 of cases in the district in 2018.

FATAL CRASHES



| Area | 2015 | 2016 | 2017 |
|-----------------------|------|------|------|
| Hessequa | 21 | 20 | 22 |
| Garden Route District | 99 | 116 | 111 |

Definition: A crash occurrence that caused immediate death to a road user i.e. death upon impact, flung from the wreckage, burnt to death, etc.

Fatal crashes involving motor vehicles, motorcycles, cyclists and pedestrians within the jurisdiction of the Hessequa Municipality has declined from 21 to 20 between 2015 and 2016 and has increased to 22 in 2017. Within the broader Garden Route District, the number of fatal crashes has increased (99 to 116) between 2015 and 2016, but declined slightly to 111 in 2017.

ROAD USER FATALITIES

| Area | 2015 | 2016 | 2017 |
|-----------------------|------|------|------|
| Hessequa | 12 | 16 | 16 |
| Garden Route District | 32 | 24 | 28 |

Definition: The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians.

According to a recent study, the majority of road fatalities in Africa fall within the working age cohort - between the ages of 15 - 64 years - whilst three out of four fatalities were found to be male (Peden et al., 2013). The untimely death of these primary breadwinners therefore impacts directly upon not only the livelihood of family structures, but deprive society of active economic participants that contribute towards growth and development. The socio-economic impact of such road fatalities has proven to be particularly devastating in South Africa where the majority of road users hail from poor and vulnerable communities.

The previous section specified that a total of 22 fatal crashes occurred within the Hessequa area in 2017. As seen in the table above, a total of 16 road users died in these crashes. The Garden Route district however recorded 111 fatal crashes and 28 road user fatalities.

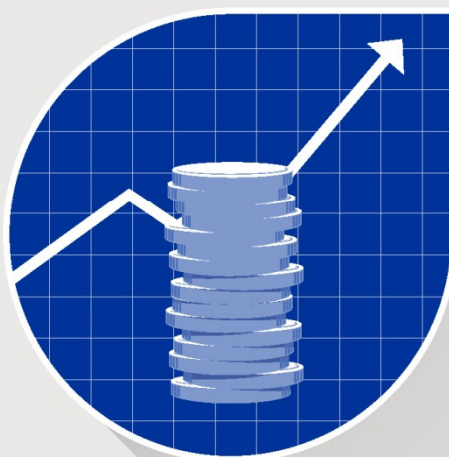
Additional, lower-level information regarding the time, location, gender, ages of above specified crashes are available from the Department of Transport and Public Works upon request.

7

THE ECONOMY

Economic activity within municipal boundaries is important as it shows the extent of human development and the living standards of communities. Although municipalities have no power to change taxes in order to stimulate economic activity, there are a few levers that local government authorities have control over to contribute to economic performance, including, amongst others, procurement of goods and services, job creation through expanded public works programmes as well as creating an enabling environment for small businesses.

The ability of households to pay for services such as water, electricity, sanitation and refuse removal depends on income generated from economic activities. A slowdown in economic activity may result in job losses and the inability of households to pay for services, leading to reduced municipal revenues. Data on macroeconomic performance, especially the information on sectoral growth and employment, is useful for municipalities' revenue and expenditure projections.



ECONOMIC SECTOR PERFORMANCE

The local economy of the Hessequa municipal area is dominated by the finance, insurance, real estate and business services sector (R750.8 million or 21.0 per cent in 2016), followed by the wholesale and retail trade, catering and accommodation sector (R670.5 million or 18.9 per cent in 2016) manufacturing sector (R492.8 million or 13.9 per cent in 2016) as well as the agriculture, forestry and fishing sector (R424.5 million or 11.9 per cent in 2016). Combined, these top four sectors contributed R2.339 billion (or 65.7 per cent) to the Hessequa municipal economy, which was estimated be worth R3.557 billion in 2016.

| Hessequa: GDP performance per sector, 2006 - 2017 | | | | | | | | | |
|--|------------------------------|----------------------|-------------|-------------|---------------------|------------|-------------|------------|------------|
| Sector | Contribution to GDP (%) 2016 | R million value 2016 | Trend | | Real GDP growth (%) | | | | |
| | | | 2006 - 2016 | 2013 - 2017 | 2013 | 2014 | 2015 | 2016 | 2017e |
| Primary Sector | 12.2 | 435.7 | 0.7 | 0.0 | 1.4 | 5.9 | -3.8 | -8. | 5.7 |
| Agriculture, forestry and fishing | 11.9 | 424.5 | 0.8 | 0.0 | 1.4 | 5.9 | -3.9 | -9.1 | 5.7 |
| Mining and quarrying | 0.3 | 11.3 | -1.3 | 1.6 | 1.0 | 5.1 | -2.2 | -1.2 | 5.1 |
| Secondary Sector | 22.6 | 802.1 | 2.3 | 1.3 | 3.3 | 1.6 | 0.4 | 0.9 | 0.2 |
| Manufacturing | 13.9 | 492.8 | 3.6 | 2.6 | 4.4 | 2.2 | 1.5 | 2.6 | 2.1 |
| Electricity, gas and water | 2.3 | 81.5 | -3.8 | -4.5 | -3.8 | -3.7 | -5.1 | -6.2 | -3.7 |
| Construction | 6.4 | 227.9 | 1.6 | -0.2 | 2.9 | 1.8 | -0.8 | -1.5 | -3.8 |
| Tertiary Sector | 65.2 | 2 319.0 | 3.4 | 2.4 | 3.4 | 3.0 | 2.5 | 1.9 | 1.5 |
| Wholesale and retail trade, catering and accommodation | 18.9 | 670.5 | 3.0 | 1.9 | 2.6 | 2.1 | 2.6 | 2.0 | -0.1 |
| Transport, storage and communication | 10.6 | 377.0 | 3.7 | 3.0 | 4.1 | 4.7 | 1.7 | 1.3 | 3.0 |
| Finance, insurance, real estate and business services | 21.1 | 750.8 | 4.1 | 3.3 | 3.6 | 3.4 | 3.8 | 2.8 | 2.8 |
| General government | 8.6 | 304.1 | 2.5 | 1.1 | 3.3 | 2.4 | 0.1 | 0.2 | -0.8 |
| Community, social and personal services | 6.1 | 216.6 | 2.5 | 2.0 | 3.6 | 1.8 | 1.3 | 1.4 | 1.7 |
| Total Hessequa | 100.0 | 3 556.9 | 2.8 | 1.9 | 3.1 | 3.1 | 1.2 | 0.3 | 1.8 |

Source: Quantec Research, 2017 (e denotes estimate)

The 10-year trend, between 2006 and 2016, shows that the manufacturing, transport, storage and communication and finance, insurance, real estate and business services sectors registered the highest average growth rate (4 per cent) in Hessequa during this period. It is encouraging that these top economic sectors registered solid growth over this period. The agriculture sector contracted in 2015 and 2016 due to the severe drought but the estimated growth rate for 2017 is a healthy 6 per cent.

LABOUR

This section highlights key trends in the labour market within the Hessequa municipal area, starting with a breakdown of skills of the labour force, followed by employment numbers per sector as well as the unemployment levels. The majority of workers in the Hessequa labour force in 2016 was dominated by semi-skilled workers (41.4 per cent) whilst 37.2 per cent were low skilled and only 21.3 per cent were skilled.

| Hessequa: Trends in labour force skills, 2006 - 2017 | | | | | |
|--|------------------------------|--------------------|--------------------|---------------------|---------------|
| Formal employment by skill | Skill level contribution (%) | Average growth (%) | Average growth (%) | Number of jobs 2016 | |
| | 2016 | 2006 - 2016 | 2013 - 2017e | 2016 | 2017e |
| Skilled | 21.3 | 3.6 | 3.0 | 3 298 | 3 350 |
| Semi-skilled | 41.4 | 0.7 | 1.9 | 6 411 | 6 399 |
| Low skilled | 37.2 | -2.0 | 1.2 | 5 763 | 5 655 |
| Total Hessequa | 100.0 | 0.1 | 1.9 | 15 472 | 15 404 |

Source: Quantec Research, 2018 (e denotes estimate)

The number of skilled workers increased relatively fast by 3.6 per cent over the 2006 - 2016 period, while a slight increase of 0.9 per cent were experienced in the number of semi-skilled workers and a reduction of 2.0 per cent in the number of low skilled workers were experienced over the ten-year period. An improvement in education and economic performance can contribute to a further decrease in semi-skilled and low-skilled workers.

The wholesale and retail trade, catering and accommodation sector (5 971 or 24.6 per cent) contributed the most jobs in the Hessequa municipal area in 2016, followed by the agriculture, forestry and fishing sector (5 090 or 21 per cent); finance, insurance, real estate and business services (3 477 or 14.3 per cent), community, social and personal services (3 174 or 13.1 per cent) and manufacturing (2 090 or 8.6 per cent). Combined, these top five sectors contributed 19 802 or 81.6 per cent of the 24 278 jobs in 2016.

| Hessequa: Employment growth per sector 2006 - 2017 | | | | | | | | | |
|--|---------------------------------|---------------------|---------------|--------------|-------------------------|-------------|--------------|-------------|-------------|
| Sector | Contribution to employment 2016 | Number of jobs 2016 | Trend | | Employment (net change) | | | | |
| | | | 2006 - 2016 | 2013 - 2017e | 2013 | 2014 | 2015 | 2016 | 2017e |
| Primary Sector | 21.1 | 5 111 | -2 699 | 575 | 268 | -256 | 940 | -228 | -149 |
| Agriculture, forestry and fishing | 21.0 | 5 090 | -2 695 | 575 | 269 | -256 | 939 | -228 | -149 |
| Mining and quarrying | 0.1 | 21 | -4 | 0 | -1 | 0 | 1 | 0 | 0 |
| Secondary Sector | 15.3 | 3 724 | -317 | 165 | 80 | 74 | 2 | -32 | 41 |
| Manufacturing | 8.6 | 2 090 | 168 | 261 | 108 | 30 | 61 | -37 | 99 |
| Electricity, gas and water | 0.3 | 62 | 4 | -2 | -3 | 0 | 1 | 0 | 0 |
| Construction | 6.5 | 1 572 | -489 | -94 | -25 | 44 | -60 | 5 | -58 |
| Tertiary Sector | 63.6 | 15 443 | 3 969 | 2 045 | 500 | 406 | 566 | -158 | 731 |
| Wholesale and retail trade, catering and accommodation | 24.6 | 5 971 | 1 329 | 828 | 133 | 79 | 265 | -76 | 427 |
| Transport, storage and communication | 4.0 | 977 | 386 | 149 | 65 | 23 | 79 | -77 | 59 |
| Finance, insurance, real estate and business services | 14.3 | 3 477 | 1 524 | 790 | 177 | 175 | 217 | 65 | 156 |
| General government | 7.6 | 1 844 | 334 | -44 | -25 | 81 | -48 | 20 | -72 |
| Community, social and personal services | 13.1 | 3 174 | 396 | 322 | 150 | 48 | 53 | -90 | 161 |
| Total Hessequa | 100.0 | 24 278 | 903 | 2 785 | 848 | 224 | 1 508 | -418 | 623 |

Source: Quantec Research, 2018 (e denotes estimate)

The agriculture, forestry and fishing (-2 695), mining and quarrying (-4) and the construction (-489) sectors in the Hessequa municipal area reported a loss of in jobs between 2006 and 2016. The most job losses are estimated in the agriculture, forestry and fishing sector in 2016 and 2017 due to the severe drought. This is a major cause for concern considering the considerable contribution of this sector to the Hessequa economy as well as its great significance to employment. The sector which reported the largest increase in jobs between 2006 and 2016 was finance, insurance, real estate and business services (1 524), followed by wholesale, retail and trade (1 329) and community, social and personal services (396).

| Unemployment Rates for the Western Cape (%) | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|-------|
| Area | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017e |
| Hessequa | 6.2 | 6.1 | 6.8 | 7.6 | 7.6 | 7.6 | 7.4 | 7.7 | 7.3 | 8.1 | 8.4 |
| Garden Route District | 13.2 | 12.7 | 13.8 | 15.0 | 14.9 | 14.9 | 14.7 | 15.1 | 15.0 | 16.3 | 16.9 |
| Western Cape | 13.3 | 12.9 | 14.2 | 15.5 | 15.7 | 15.8 | 15.7 | 16.1 | 16.2 | 17.4 | 18.2 |

Source: Quantec Research, 2018 (e denotes estimate)

Over the last decade, the unemployment rate has been rising steadily in Hessequa which was at 6.2 per cent in 2007 rising to 8.4 per cent in 2017. Hessequa's unemployment rate in 2017 are way below the unemployment rate of the Garden Route District's 16.9 per cent and also considerably lower than that of the Province's 18.2 per cent.

SOURCES

1. Demographics

- Population: *Department of Social Development, 2018*
- Age cohorts: *Department of Social Development, 2018*

2. Education

- Learner enrolment: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2017*
- Learner-teacher ratio: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2017*
- Grade 12 drop-out rates: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2017*
- Educational facilities: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2017*
- Educational outcomes: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2017*

3. Health

- Healthcare facilities: *Department of Health, 2018*
- Emergency medical services: *Department of Health, 2018*
- HIV/AIDS: *Department of Health, 2018*
- Tuberculosis: *Department of Health, 2018*
- Child health: *Department of Health, 2018*
- Maternal health: *Department of Health, 2018*

4. Poverty

- GDP per capita: *Statistics South Africa, 2018; own calculations*
- Income Inequality: *IHS Global Insight, 2018*
- Human Development: *IHS Global Insight, 2018*

SOURCES

5. Basic Services

- Households: *Statistics South Africa, Community Survey 2016*
- Access to housing: *Statistics South Africa, Community Survey 2016*
- Access to water: *Statistics South Africa, Community Survey 2016*
- Access to electricity: *Statistics South Africa, Community Survey 2016*
- Access to sanitation: *Statistics South Africa, Community Survey 2016*
- Access to refuse removal: *Statistics South Africa, Community Survey 2016*
- Growth in water/electricity/sanitation and refuse removal services per consumer/billing unit: *Statistics South Africa, Non-Financial Census of Municipalities 2007 and 2017*
- Indigent support for water/electricity/sanitation and refuse removal services: *Statistics South Africa, Non-Financial Census of Municipalities 2007 and 2017*

6. Safety and Security

- Murder: *South African Police Service (SAPS), 2018*
- Sexual offences: *South African Police Service (SAPS), 2018*
- Drug-related crimes: *South African Police Service (SAPS), 2018*
- Driving under the influence: *South African Police Service (SAPS), 2018*
- Residential burglaries: *South African Police Service (SAPS), 2018*
- Fatal crashes: *Department of Transport and Public Works, 2018*
- Road user fatalities: *Department of Transport and Public Works, 2018*

7. Economy

- Sector Performance: *Quantec Research, 2018*
- Labour: *Quantec Research, 2018*